



**STATE BOARD OF EQUALIZATION**

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Second District, Lancaster

MICHELLE STEEL  
Third District, Orange County

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

CYNTHIA BRIDGES  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
NOTICE AND AGENDA  
Meeting Agenda (as of 6/6/2013, 6/6/2013, 2:15 PM)**

[Agenda Changes](#)

[Webcast on Tuesday, June 11, 2013](#)

**Tuesday, June 11, 2013**

**10:00 a.m. Board Committee Meeting Convenes\***

**Board Meeting convenes upon Adjournment of the Board Committee Meeting\*\***

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda.

**Board Committee Meeting\***

[Business Taxes Committee](#)..... Ms. Yee, Committee Chairwoman

1. Proposed Lumber Products Assessment Regulations - Retailer Reimbursement Retention

Request approval and authorization to publish proposed Lumber Products Assessment regulations determining the amount of collected assessment retailers may retain for reimbursement of collection costs.

**Board Meeting\*\***

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings  
There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Appeals Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

~~B1. FNB Bancorp, 596038 +~~

~~For Appellant: David Curtis, Representative  
Andrew Gotelli, Representative  
For Franchise Tax Board: Ann Hodges, Tax Counsel  
Bill Hilson, Tax Counsel~~

**B2. Emmis Communications Corporation, 547964 +**

For Appellant: Carley A. Roberts, Attorney  
For Franchise Tax Board: Ted Tourian, Tax Counsel  
Norm Scott, Tax Counsel

**C. Sales and Use Tax Appeals Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

**C1a. Amador Patino and Gerardo Javier Guzman, 532069, 549106 (CH) +**

**C1b. La Primavera Products Svcs., Inc., 550549 (CH) +**

For Taxpayers: Amador Patino, Taxpayer  
Michan Evonc, Representative  
For Department: Scott Lambert, Hearing Representative

**C2. Paul Anthony Wassem, 535330 (GH) +**

For Petitioner: Paul A. Wassem, Taxpayer  
For Department: Kevin Smith, Tax Counsel

~~C3a. Ardyssa California, Inc., 560909 (AA) +~~

~~C3b. Ardyss International, Inc., 561575 (EH) +~~

~~For Petitioners: Betty Williams, Attorney  
James Bourbeau, Attorney  
Kerstan Hubbs, Attorney  
For Department: Monica Silva, Tax Counsel~~

~~C4. Theresa Galea DeRouen, 526948 (BH) +~~

~~For Petitioner: Theresa Galea DeRouen, Taxpayer  
For Department: Marc Alviso, Hearing Representative~~

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings

**F. Public Hearings****F1. Timber Harvest Values + .....Mr. Yeung**

On or before June 30, 2013, the Board shall estimate the immediate harvest values of and adopt schedules for each species or sub-classification of timber harvested between July 1 and December 31, 2013. Revenue and Taxation Code section 38204(a).

**F2. Proposed Adoption of Amendments to Cigarette and Tobacco Products Licensing Act (Act) Regulations 4601, *Service of a Notice of Violation or Warning Notice*, 4603, *Penalties for Licensed or Unlicensed Retailers*, 4604, *Penalties for Licensed or Unlicensed Wholesalers and Distributors*, and 4605, *Penalties for Licensed or Unlicensed Manufacturers and Importers* + .....Mr. Heller**

Public hearing regarding the adoption of proposed amendments to provide for the service of all notices under the Act and the reduction of suspensions to 5 days when warranted.

**F3. Proposed Adoption of Amendments to Property Tax Rule 462.040, *Change in Ownership – Joint Tenancies* + .....Mr. Heller**

Public hearing regarding the adoption of proposed amendments to make the rule consistent with and clarify current law regarding transactions involving joint tenancies.

**G. Tax Program Nonappearance Matters – Consent**

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

**G1. Legal Appeals Matters ..... Mr. Angeja**

- Hearing Notices Sent – No Response
  1. David Michael Glass and Cecilia A. Sahm-Glass, 512133 (JH)
  2. Richard Alvin Hamilton, 592324 (CH)
- Petitions for Release of Seized Property
  3. St. Abraam Business Invest Group, 681992 (STF)
  4. Balraj Singh Dhillon, 682007 (STF)

**G2. Franchise and Income Tax Matters ..... Mr. Thompson**

- Decisions
  1. Shonna Beach, 563270
  2. Barbara Brown, 561362
  3. Frank F. Chen and Susan H. Chen, 603431
  4. Keith Costello, 432902
  5. Florence Fang, 587071
  6. William Freeman, 585926
  7. Jo A. Garcia, 530560
  8. Vijaya Gummadi and Rose Gummadi, 554793
  9. Gregory A. Hammonds, 496847
  10. Li-Mei Echo Hsueh, 573978

11. David M. Kupfer and Kelley J. Kupfer, 575345
12. Gabriel Martinez and Piedad Perez, 600106
13. Francois Masciopinto and Delphine Masciopinto, 593169
- 14a. Michael Edwin Napoliello, 435098
- 14b. Kostj Shirvanian and Marian Shirvanian, 351829
- 14c. James P. Rhodes and Julie A. Rhodes, 461388
- 14d. Stanley Ross and Marilyn B. Ross, 461997
- 14e. Peter Thomas and Stacy Thomas, 450982
- 14f. Ahmadreza Rofougaran and Neda Semsar, 357311
- 14g. Estate of William E. Simon and Tonia A. Simon, 362327
- 14h. Jason Moskowitz and Wendy Moskowitz, 435095
- 14i. Leonard I. Green (Dec'd), 346243
- 14j. Sean K. Tayebi, 352188
- 14k. Lodwick M. Cook and Carole D. Cook, 389000
- 14l. Denis R. Brown and Margaret Brown, 341479
- 14m. Frank M. Goldberg and Lee Goldberg, 350470
- 14n. Donald Munro and Julie A. Simon, 348939
- 14o. Charles Michael Carter and Diane K. Carter, 342745
- 14p. James McCloskey and Maureen McCloskey, 348736
- 14q. Edwin O. De Silva, 342162
- 14r. Ravinder Sethi and Risham Sethi, 343001
- 14s. Paul Marciano, 348732
- 14t. Armand Marciano, 343109
- 14u. Maurice Marciano, 349026
15. Cort O'Haver and Rachael O'Haver, 609862
16. Albert E. Quackenbush IV, 593991
17. Craig Rentle and Barbara Rentle, 596459
18. Hassan Saberi, 597468
19. Ricky Washington, 588735

G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.

G4. Sales and Use Taxes Matters.....Mr. McGuire

- Redeterminations
  1. Konica Minolta Bus Solutions U.S.A., 577445 (OH)
  2. Airgas-West, Inc., 418893 (AA)
  3. Road Runner Sports, Inc., 595718 (FH)
  4. Alexander Michael Pistone, 522521 (FH)
  5. Planet Fortune, Inc., 577426 (AP)
  6. Charles Franklin Newcomb, 631073 (AS)
- Relief of Penalty/Interest
  7. Mc-Donald's Restaurants Calif., Inc., 722795 (OH)
  8. PVH Retail Stores, Inc., 722798 (OH)
- Denial of Claim for Refund
  9. Automotive Funding Group, Inc., 557529 (EA)

- Grant-One Day Interest Relief
  10. Mel-Jen, 722250 (AS)
  11. Benicia Fabrication & Machine, Inc., 722258 (JH)
  12. Bruker Nano, Inc., 722260 (GH)
  13. Meyer Global, Inc., 722263 (AR)
  14. B & H Education, Inc., 722261 (AS)
  15. S.J. Craig Corporation, 722262 (AS)
  16. Eagle Marine Services LTD, 722257 (CH)
  17. Cambria Company, LLC, 722256 (OH)
  18. His Place #2, LLC, 722252 (BH)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds .....Mr. McGuire

- Credits and Cancellations
  1. Big O Tires, Inc., 722865 (OH)
  2. Arthur Valle, Jr., 531175 (AS)
  3. Kourosh Hakimpour, 721999 (AS)
- Refunds
  4. Walt Disney Pictures & Television, 715877 (OH)
  5. A K H Company Incorporated, 715850 (EA)
  6. Scripps Health, 611070 (FH)
  7. Children's Hospital Health Center, 570167 (FH)
  8. American Material MGT Alliance, Inc., 573962 (EH)
  9. Rumsey Band Wintun Indians, 623751 (JH)
  10. Des Aviation, LLC, 607662 (UT)
  11. Gor Acquisition Corp., 444431 (AS)
  12. The Walt Disney Company, 715871 (OH)
  13. Granite Rock Company, 710792 (GH)
  14. Coasthills Federal Credit Union, 596912 (GH)
  15. Stanford Federal Credit Union, 600607 (GH)
  16. KFC Corporation, 609888 (OH)
  17. Automotive Funding Group, Inc., 557529 (EA)
  18. Sonic - Santa Monica M, Inc., 570839 (AS)
  19. Financial Partners Credit Union, 711964 (AA)
  20. Sonic Calabasas M, Inc., 531145 (AC)
  21. Dorothy K. Nishimoto, 712958 (DF)
  22. Kimberly-Clark Global Sales, Inc., 625017 (OH)
  23. Bankers Auto Acceptance Corp., 623741 (AA)
  24. Orchard Supply Hardware, LLC, 717032 (GH)
  25. Ixmation, Inc., 649578 (OH)
  26. Optical Coating Laboratory, LLC, 609826 (JH)
  27. Storage Solutions, 708601 (OH)
  28. Ready Tech Go, Inc., 716853 (OH)

- G6. Special Taxes Matters ..... Mr. Gau
- Redeterminations
    1. Sentry Insurance, A Mutual Co., 254101 (STF) 'CF'
    2. Mercury Casualty Company, 216497 (STF) 'CF'
    3. Mercury Insurance Company, 216498 (STF) 'CF'
    4. Sentry Select Insurance Company, 250591 (STF) 'CF'
    5. Philadelphia Indemnity Ins. Co., 250592 (STF) 'CF'
    6. Golden Eagle Insurance Corp., 306238 (STF) 'CF'
  - Relief of Penalty
    7. Flyers Energy LLC, 707698 (STF) 'CF'
    8. Flyers Energy LLC, 707699 (STF) 'CF'
  - Denial of Claim for Refund
    9. Liberty Life Assurance Co./Boston, 223992 (STF) 'CF'
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds ..... Mr. Gau
- Credits and Cancellations
    1. Peerless Insurance Company, 250594 (STF) 'CF'
    2. Chicago Title Insurance Co., 572473 (STF) 'CF'
  - Refund
    3. PHL Variable Insurance Company, 608368 (STF) 'CF'

There are no items for the following matters:

- G8. Property Tax Matters  
 G9. Cigarette License Fee Matters  
 G10. Legal Appeals Property Tax Matters

#### H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

- H1. Legal Appeals Matters ..... Mr. Angeja
- Hearing Notices Sent – No Response
    1. [Bar Codes Unlimited, Inc., 523577 \(FH\) +](#)
    2. [Josie Rowe, 538662 \(GH\) +](#)
  - Section 40 (AB 2323) Matters
    3. [Tri-Signal Integration, Inc., 384478 \(AC\) +](#)

There are no items for the following matters:

- H2. Franchise and Income Tax Matters  
 H3. Homeowner and Renter Property Tax Assistance Matters  
 H4. Sales and Use Taxes Matters  
 H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds  
 H6. Special Taxes Matters  
 H7. Special Taxes Matters – Credits, Cancellations, and Refunds  
 H8. Property Tax Matters  
 H9. Cigarette License Fee Matters  
 H10. Legal Appeals Property Tax Matters

**I. Tax Program Nonappearance Matters**

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- I1. Property Taxes Matters..... Mr. Gau
  - Audit
    - 1. MetroPCS California, LLC (2733) 'CF'
- I2. Offer in Compromise Recommendations .....Mr. Anderson
  - 1. Karmjut Singh Buttar
  - 2. Thomas James Charlebois
  - 3. Jill L. Johnson
  - 4. Kay & Kai Corporation
  - 5a. Leoma Reed Perry
  - 5b. Leoma R. Perry, Inc.
  - 6. Jose Vicente Reyes
  - 7. Ziad George Richa
  - 8. Alicia Shelton
  - 9. Triseven Corporation
- I3. Local Tax Reallocation Matters  
There are no items for this matter.

**Chief Counsel Matters**

Items that appear under these matters provide information to the Members and may require Board action or direction.

**J. Rulemaking**

- J1. [Proposed Amendments to the Board of Equalization \*Rules for Tax Appeals\* \(RTA\) + .....](#)Mr. Heller  
Request for authorization to publish proposed amendments to incorporate, implement, and clarify Revenue and Taxation Code section 40, and address clean-up and housekeeping issues.

**Section 100 Changes**

- J2. [Regulation 1703, \*Interest and Penalties\* + .....](#)Mr. Heller  
Staff requests authorization to make Rule 100 changes to amend Sales and Use Tax Regulation 1703 to incorporate the addition of Revenue and Taxation Code section 6591.6, and to make minor grammatical edits.

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

## Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

### N. Consent Agenda ..... Ms. Richmond (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

#### N1. Retirement Resolutions +

- Dan Bertuldo
- Sherri M. Quint

#### N2. Approval of Board Meeting Minutes

- November 14-15, 2012 +

### O. Adoption of Board Committee Report and Approval of Committee Actions

#### O1. Business Taxes Committee

### P. Other Administrative Matters

#### P1. Executive Director's Report ..... Ms. Bridges

1. Report on time extensions to Alpine, El Dorado, Lassen, Los Angeles, Madera, Plumas, Santa Cruz, Sonoma, and Tehama Counties to complete and submit 2013/14 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155. +
2. 2013 Board Calendar Adjustment
3. ~~Consideration of New Board of Equalization Logo ..... Mr. Garza~~
4. CROS Project Update and Actions ..... Mr. Steen  
Progress on the CROS project to replace BOE's two current tax legacy technology systems.

#### P2. Chief Counsel Report There are no items for this matter.

#### P3. Sales and Use Tax Deputy Director's Report ..... Mr. McGuire

1. Sales and Use Tax Department Update  
Update on current and upcoming department activities.

#### P4. Property and Special Taxes Deputy Director's Report ..... Ms. Bartolo

1. Fire Prevention Fee Program Update

#### P5. Administration Deputy Director's Report + ..... Ms. Houser

1. Facilities Update +  
A general update on the 450 N Street building may be provided.
2. ~~2013/14 Budget Update  
Information on the Governor's 2013/14 Budget may be provided.~~



### 3. 2014/15 Budget Concepts +

Concepts will be presented for Board direction and input to develop into Budget Change Proposals for possible inclusion in the Governor's Fiscal Year 2014/15 Budget.

- a. Tax Gap II and Lumber Products Assessment +
- b. Southern California Appeals and Settlement Unit +
- c. Fire Prevention Fee +
- d. Valuation Factors Studies for County-Assessed Properties +
- e. Intrusion Detection/Intrusion Prevention System – Information Security +
- f. Headquarters Consolidation +
- g. CROS Project (Phase II) – Placeholder +

There are no items for the following matters:

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

Announcement of Closed Session ..... Ms. Richmond

#### Q. Closed Session

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).

Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

#### Adjourn

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The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or e-mail [Rose.Smith@boe.ca.gov](mailto:Rose.Smith@boe.ca.gov) if you require special assistance.

Joann Richmond, Chief  
Board Proceedings Division

- \* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board meeting.
- \*\* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.